

(SAIIN-1)

Crises, January 22, 1987

Averting Failure, Risking Catastrophe

How do catastrophic failures of social policy come about? Detailed retrospective studies of the decision-making process that preceded such failures reveal with startling frequency one or both of two highly paradoxical characteristics of the policymaking:

a) Arguments for proposals, or analyses of a set of options, that totally fail to raise, or address, seemingly-obvious questions about one or more of the alternatives (such as the possibility of the catastrophic failure that does later occur, or of any potential failure at all, let alone any assessment of its probability or scale). Total lack of explicit consideration of what seem obviously critical concerns.

In particular, this commonly takes the form of arguments in favor of a given course--the one that comes to be chosen, eventually with catastrophic results--on the grounds that it is "necessary" to ultimate success of a larger policy, or to avert its failure: but with no estimate offered at all of its cost, or the likelihood of success if it is chosen--or if it is not, i.e. the difference it makes to the probability of success--or of the form or cost of failure of the proposed course.

This emerged in the documentation of the Pentagon Papers research so commonly as the form that proposals took, including winning proposals, that it is identified in my working notes as The Proposal Pattern, or the Desperate Proposal Pattern (since it was associated with the assertion that every course but the one recommended was certain to fail).

Most recently, it has been observed, with some astonishment, in the single decision-making document released by the White House that preceded, and allegedly determined, President Reagan's decision to send US arms directly to Iran (without Israeli intermediaries) in January, 1986, the memo by Admiral Poindexter (drafted by Lt. Colonel North) on which the President was briefed before he signed the recommended Finding of January 17, 1986 that authorized the venture.

As a number of Senators and other critics observed with great perplexity, the memo mentions possible risks (as being outweighed) and implicit reservations by the Secretary of State and the Secretary of Defense (who "do not recommend" the proposed course) without saying a word as to what these possible risks are, how likely they are to be realized and the consequences if they are, nor what it is about the policy to which the Secretaries object or why. The impression given by this memo is of inexplicably deficient argumentation or analysis, a "crazily" incomplete or reckless decision-making process, preceding (and perhaps causing) the President's fatal decision.

But in this case--as in most of the others--further investigation reveals that the considerations and risks totally omitted from the given document actually have been analysed elsewhere, and have even been brought authoritatively to the President's attention. (This does not eliminate the paradoxical nature of the fact that even one authoritative decision-making document should take a form so apparently deficient; but it reduces its causal significance in determining the decision).

Even before this Finding had been released, we had learned that Shultz and Weinberger had expressed to the President virtually all of the defects in the chosen course that have now materialized (except for the connection with funding for the contras, of which they were not aware and which may not yet have been conceived by North and Poindexter). I.e., they had predicted with considerable clarity and emphasis the scandal the President confronted after the Iranian arms shipments were disclosed by the Lebanese journal, which was bad enough even before the later revelation by Meese of the contra connection. Yet the President had overruled them.

This conforms to the second paradoxical pattern, which has turned up largely since the research on the Pentagon Papers. In particular, it emerges in the research by Larry Berman on the President's decision in July, 1965 to undertake open-ended escalation of US troop commitment to Vietnam. Using documents and interviews from White House sources, unavailable to the Pentagon Papers study, he found that not only Ball (as was already known) but McGeorge Bundy had argued cogently against this course, raising virtually all the questions and criticisms that later events proved to have been crucially relevant and making estimates that were strikingly realistic.

Opposition by Clark Clifford (in great contrast to portrayals of his position at this time) was equally vehement; like a number of Senators LBJ knew and trusted, he used the word "catastrophic" about the course McNamara proposed and the President accepted. (Bundy's characterization of this course--before the President adopted it--was "reckless to the point of folly." The Pentagon Papers--which lacked this document--present almost no case I can remember of language this strong about the proposal of another Cabinet-level official.)

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RISK/CRISES.1 (SAMNA)

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19 March 87

Memcon: Daniel Kahneman

1. "How I almost started a war with Jordan, in 1956" (while I was in Alexandria Harbor, and Amos Tversky was in a paratroop battalion in the Sinai, under Ariel Sharon).

"I was a platoon leader, on the Jordanian front--the inactive front. I was to set up ambushes near the border. The road into Jordan was supposed to have a sign at the border: Jordan Frontier. When I was reached that, I was supposed to pull back 50 meters and set up an ambush, because terrorists (sic) had been moving across the border.

It was a starlit night, very cold. We walked and walked, a very long way. No sign. I began to have an uneasy feeling. Then someone plucked at my sleeve; we could hear someone moving. I had the men put down their packs and form a skirmish line. I had a very bad feeling about the place we had come to: it was the confluence of several waddies, a perfect killing field. As we moved ahead, we could see the source of the noise; a man was climbing up a hill, just ahead of us.

In a few moments, I realized the situation. We were in deep trouble. We were in Jordan; there was a company on the hills above us, with mortars. [I take it this was marked on the map. And I take it that DK reasoned: this man is not moving as if he were in Israel, but as if he were in Jordan, in his company area. "He was outlined against the sky." But DK was not certain, and he could not claim to be, nor prove that his guess was correct.] [I should check the sequence of events and inferences above.]

If this was the case, any moment we might be fired on with mortars, and wiped out. Meanwhile, my troops wanted to fire at the man. (They had never been in combat before). But I didn't want to start a war with Jordan. I ordered the platoon to move back, without firing; I almost had to physically restrain them. We found all the packs but one. It took minutes--it seemed like hours--to find the last pack. In my mind I was counting the number of children involved in the platoon, whose futures were at stake; I expected mortars to hit us any moment. (It was a reserve battalion, with most of the men married with children). But if I had gone back without the pack, "it would have been the end for me."

When I got back, the reaction of my peers was, "Why hadn't I shot the man?" I was forced to be apologetic about not shooting. They couldn't conceive of me, or themselves, not doing it. I explained my reasoning, but they seemed to look down at such reasoning. [I comment: in some situations, it is regarded as "unmanly"--wrong, even "immoral"--to calculate at all, or to be seem consciously to do so. One would like an implicit calculation to be made instantaneously; one prefers leaders to have good judgement in their snap decisions. But next best, so it seems, is

to have leaders with bad judgement, who act. DK agrees] Of course, if I were in Jordan, for sure, I shouldn't have shot; but the point was, I didn't know with certainty that I was in Jordan.

[In effect, they felt that DK's reasoning should not have overruled his "instinct to shoot an enemy." (Maybe later in a long war--Israel has not had a war like Vietnam in length--would affect this "instinct," when it came to risking retaliation). The uncertainty as to whether the border had been crossed reminded me of Johnson's preoccupation during the Vietnam War--according to Doris Kearns--with not triggering what he suspected was a secret treaty commitment of the Chicoms to intervene if some threshold of US intervention were crossed, as in 1950. LBJ couldn't know where the threshold was, or whether he might already have crossed it or by near it, though he seems not to have doubted that it existed (perhaps wrongly).

Meanwhile, I raise the question as to whether some Israeli officers--in tolerating such casualness at combat levels about the crossing of the border--were not at least ambivalent about getting into war with Jordan, even though it was clear that higher orders opposed this. (Such higher orders might precisely be the cause of ambivalence at lower levels). Again, the analogy is with Vietnam, with the ambivalence of the JCS about war with China (in contrast to LBJ's attitude). DK rejects (such) "conspiracy theories": but I am posing ambivalence, not a conscious, unequivocal intention to expand the war.

Moreover, the circumstances of crossing a border are analogous to the decision to escalate to the use of nuclear weapons; or to preempt, or launch-on-warning or -under-attack. I point out the effect on me of AJW's 1956 analysis--read by me in 1958--of the inevitable equivocality of tactical warning of nuclear attack (and the effect of this on the time necessary to make a decision to launch, bombers or missiles: with the response time, as usually measured, commencing only after this decision had been made).

But there is also the point of DK's searching for the pack, while thinking that the possible consequences of doing so were to cause the platoon to be wiped out. (He would not have been criticised for doing this if there had been a few casualties; still less if this had been the result of firing at the enemy. But what he was really facing was annihilation.

DK's own reaction at the time belies his later generalization that uncertainty is wiped out, abstracted or approximated away, both before the event and afterwards, in retrospection, when all seems clear. Like LBJ in 1965, like the Thiokol and NASA officials, he knew well enough that there was a real risk, even of catastrophe: yet he took it!

I tell, sympathetically, my own story of leading a platoon in a divisional landing at Camp Lejeune; for faster movement off the

tanks when we encountered aggressors, I ordered the packs put on a half-track. When Sgt. Marseille suggested strapping them to the tanks instead, I rejected this, for some reason (I think, for fear they would be damaged by the tank exhaust, or for lack of room, or something). After pursuing aggressors vigorously for 12 hours or so, we found ourselves on the objective as a hard, cold rain began to fall; with our packs 5 miles back along a jam-packed trail of vehicles. (It then appeared that Sgt. Marseille's squad had their packs; he had tied them on their tanks, in violation of my orders, being more experienced. Since it was my fault that the other two squads lacked packs, it would have been very hard for me to order that squad to share their tents; fortunately, they offered that voluntarily, taking turns using the sleeping bags. I stayed up all night, checking security. Which is how I learned, never to get separated from your packs, "even at the risk of your lives" (Kahneman's example).]

2. When the Israeli's shot down a Libyan airliner in ?, DK recalls that the circumstances were that, although it was feared that it was heading toward Dimona (did they admit the sensitivity of that, publicly?) it had turned around and was heading out to the border. With only sixty seconds left before it left Israel airspace, it was shot down.

The chief of staff, who was anguished publicly about the event, said that, at some time previously, "We decided that it was an enemy." (That struck DK. "You could decide to treat it as if it were an enemy--but you couldn't 'decide' it was an enemy." Is this true? Perception can be a decision, or can be "decided" "as if" it were a decision; at least, that is a fruitful approach. Moreover, it is especially realistic when a bureaucratic perception is involved. Recognition, categorization, are almost surely decisions, involving alternatives and a sense of values and probabilities.)

Anyway, the consequences were fatal, especially given the fleeting interval available in which to attack the "enemy"--compare the KAL 007 case (where the Soviets did not doubt that the plane was an enemy--though Hersh left open the question, "What if they had thought it was an airliner? What would the lower levels have done, given their earlier experiences? He seemed to think they would shot anyway, though I'm not sure he says this in his book. Check his book, as an addition to the list of catastrophes.) Also, see the shooting of the Gen. Belgrano, as it headed away from the interdicted area, which it was outside. (Again, there may have been at least ambivalence about this "mistake," which may have involved high levels, and which did derail negotiations which the British didn't want. I didn't mention this, given DK's aversion to "conspiracy theories," though this issue needs to be confronted).

Since there was fear that an airliner might be deliberately crashed in a populated area as a terrorist act, there was no question that it would have been shot--"would have had to be

shot"--if it had been approaching a city. (It was not responding to signals, for some reason). (A Swiss airliner had recently been blown up, the first terrorist act of this kind). But even heading out of the country, there was a "crisis"; was an "enemy" to be allowed to leave unharmed? And there was only 60 seconds to decide, 60 seconds' opportunity to avert such a "failure"...

DK gives this "decision" that the plane was an "enemy" as an example of the tendency to "lose" or suppress uncertainty before a decision, as well as to fail to recognize it after the event. [However, I need to discuss with him the question whether this is always the critical tendency. I am more impressed with the willingness to take courses that are perceived to be uncertain, risky...in preference to courses that are "certain" to fail in the short run. (Do the latter exemplify his suppression of uncertainty? Not strikingly; there is usually both consensus on this certainty and plausibility.)]

He also associates this with "the illusion of control": the stubborn insistence on perceiving some events as under one's control, even when they are not, associated both with a tendency to blame oneself, or the supposed controller, when "failures" occur, and with unrealistically high expectations of "success" given one's supposed control. Pilots, he says, tend not to believe in equipment failure at all; everything is human error. But this is in the service of the second point, assurance to oneself of safety and likely success, based on one's control.

Example: he heard an Air Force general berate a pilot (absent? dead?) who had been shot down. Not only was he shot down; "He was hit by six missiles." The implication was that he had been extraordinary incompetent to let himself be hit by six missiles.

[My examples: When a rocket from a helicopter, allegedly fired by accident, hit a room in Cholon and wiped out Ky's whole set of key allies, including those in charge of the Port of Saigon, i.e., in charge of dope smuggling revenues, it ended Ky's challenge to Thieu in the election of 1967. It was true that the Embassy (Bunker) had switched support to Thieu about then. The whole of Saigon assumed that this was a CIA deliberate attack, one more evidence of their uncanny competence, as well as their ruthlessness. To me, it was unthinkable that the CIA could have successfully carried out such a coup, with one rocket, intentionally.

Yesterday, Vladimir Brodsky informed me that most Russians regarded the Western peace movement as the instrument of the CIA. Their evidence: Reagan opposed it (they were less aware, if at all, that he described it as a tool of the KGB); its demands were in line with Soviet proposals; they were unaware that it sometimes opposed Soviet programs (as in Leningrad, or against SS-20s), because neither the Soviet press nor the Western press reported this! This meant that they had little respect for the Western

peace movement, since it was simply a tool, but enhanced respect for the power of the KGB, which they generally admired for its power (as well as resenting its repression, if they had been personally affected).

On the question of uncertainty, I recalled my informal study, a "systems analysis of systems analysis" at RAND, for which I reconsidered the treatment of uncertainty in each of the earlier RAND studies leading to a corporate recommendation (RAND R's). I found that in every single case, either a wrong or poor recommendation was made, or (I don't recall specific examples of this) the best choice was made only because of compensating errors, involving critically invalid predictions. RAND was proud of having invented the technique of recognizing a broad range of uncertainty, then looking for or inventing alternatives that were optimal over this whole range of uncertainty. In very case, the actual results, in retrospects, lay outside the presumed range of (multi-dimensional) uncertainty, so that the analysis was invalid or irrelevant, unreliable, and usually the resulting recommendations were incorrect (e.g., for a turboprop bomber over a full-jet B-47!)

The reason for this was that there were usually eight or twelve separate factors for which ranges of uncertainty had to be estimated, each of which could be critical to a choice between alternatives (at least four or five of these being major, especially critical). In every actual case, at least one or two of the variables ended up outside the "possible" range estimated earlier, so that the whole analysis was rendered, at best, unreliable.

This bore on the running dispute between Armen Alchian and everyone else, on the value of an "experimental" approach to development, leading to development and testing of a prototype before choosing a basic alternative or beginning production engineering design, versus the dominant RAND approach of relying on simulation, elaborate calculation, and (supposed) "full allowance for uncertainties," instead of field experimentation (which took more time and money for development).

Alchian's point (perhaps a forerunner of "ambiguity"--as was the von Neumann and Morgenstern treatment of "game uncertainty") was that in long-term development projects, there was a higher order of uncertainty, which called not only for flexibility but for extra data-gathering, experimentation, with the expectation of surprises. The belief that the dominant RAND approach was adequately reliable was...wrong. (Perhaps this was a more serious error than the supposed belief in the rationality of the opponent, or the (actual) belief that it was "conservative" and safely reliable to act as if the opponent was probably rational (by one's own standards, as one imagined them to operate--ignoring, e.g., emotions in crises, politics, bureaucracy...))

1999?

K/T: ~~Officers will pay high price~~
~~take (take a strong risk of) paying~~

Man in power will pay a high price in terms
of risk other people's lives (and societal
diminution) to ^{eliminate} ~~reduce~~ the certainty of a S-r personal
embarrassment ~~the~~ and postpone it, ~~as necessary~~

(i.e. to avoid it in S-r (with high cost, not
certainty) * and confront a less - than - certain chance of
it [or even, much worse] in mid-term or L-r
(^{esp. if} perhaps again postponed - though the at even
high stakes:

OR GETTING A FAVOR
LIFE BORROWING FROM MAFIA (high interest,
possibility (if payment can't be met, or time) of
increasing severe catastrophe

i order to avoid a minor S-r obligation —
"I'm embarrassed for cash — inability to meet a payment,
or which some minor or moderate benefit or status depends.

& must [?] ^(?) certainty or near-certainty of S-r loss
be changed to high-risk or near-certainty
(or certainty) of no - loss in S-r? (VN)
(b) is order to accept high ~~loss~~ ^{loss} ~~hole~~ of
negative (begin) loss in L-r?

& will be seen

(b) will be revealed to get (c)

Not just —
to reduce
the ~~loss~~
(< 1) prob;